

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

P

W-02351A
Picacho Peak Water Company
9855 E. Irvington Rd. #138
Tucson, AZ 85730

ANNUAL REPORT

RECEIVED

MAR 31 2006

FOR YEAR ENDING **Z Corporation Commissic**
Director of Utilities

12	31	2005
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FOR COMMISSION USE

ANN04	05
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Entered
4-3-06
RF

COMPANY INFORMATION

Company Name (Business Name) <u>Picacho Peak Water Company</u>			
Mailing Address <u>9855 E Irvington Road # 138</u>			
<u>Tucson</u> (City)		<u>Arizona</u> (State)	<u>85730</u> (Zip)
<u>(520) 398-6176</u> Telephone No. (Include Area Code)		<u>Same/Call First</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address <u>dbchamp@cox.net</u>			
Local Office Mailing Address <u>Same</u>			
 (City)		 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)		 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>Bill McCabe</u>		<u>Secretary/Treasurer</u>	
 (Name)		 (Title)	
<u>150 Louisiana NE</u>		<u>Albuquerque</u>	<u>NM</u>
 (Street)		 (City)	 (State)
<u>87108</u>		 (Zip)	
<u>1-888-240-7746 ext-213</u>		<u>(505) 266-9557</u>	 Pager/Cell No. (Include Area Code)
 Telephone No. (Include Area Code)		 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address _____			
On Site Manager: _____			
 (Name)			
 (Street)		 (City)	 (State)
 (Street)		 (City)	 (State)
 Telephone No. (Include Area Code)		 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Steve Wene
(Name)

1850 North Central Ave. Suite 1100, Phoenix, AZ, 85004
(Street) (City) (State) (Zip)

(602) 604-2106 (602) 274-9135
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Moyes Storey
(Name)

1850 North Central Ave. Suite 1100, Phoenix, AZ, 85004
(Street) (City) (State) (Zip)

(602) 604-2106 (602) 274-9135
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Picacho Peak Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	2,860	0	2,860
304	Structures and Improvements			
307	Wells and Springs	29,200	26,360	2,840
311	Pumping Equipment	64,069	49,994	14,075
320	Water Treatment Equipment	375	366	9
330	Distribution Reservoirs and Standpipes	15,132	12,492	2,640
331	Transmission and Distribution Mains	86,389	58,296	28,093
333	Services	708	647	61
334	Meters and Meter Installations	4,862	3,805	957
335	Hydrants	15,870	15,542	328
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	6,603	4,620	1,983
	TOTALS	226,068	172,222	53,846

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Picacho Peak Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	2,860		0
304	Structures and Improvements			
307	Wells and Springs	29,200	3.64	1,062
311	Pumping Equipment	64,069	4.19	2,688
320	Water Treatment Equipment	375	3.64	14
330	Distribution Reservoirs and Standpipes	15,132	1.07	163
331	Transmission and Distribution Mains	86,389	4.16	3,595
333	Services	708	3.64	26
334	Meters and Meter Installations	4,862	5.01	244
335	Hydrants	15,870	3.33	528
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	6,603	6.67	440
	TOTALS	226,068	3.87	8,760

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

COMPANY NAME Picacho Peak Water Company

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 13,597	\$ 12,012
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1,957	3,502
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 15,554	\$ 15,514
	FIXED ASSETS		
101	Utility Plant in Service	\$ 226,068	\$ 226,068
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	163,462	172,222
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 62,606	\$ 53,846
	TOTAL ASSETS	\$ 78,160	\$ 69,360

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Picacho Peak Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 1,100	\$ 1,100
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 1,100	\$ 1,100
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 63,971	\$ 59,804
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ —	\$ —
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ —	\$ —
	TOTAL LIABILITIES	\$ 65,071	\$ 60,904
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ —	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	13,089	8,456
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 13,089	\$ 8,456
	TOTAL LIABILITIES AND CAPITAL	\$ 78,160	\$ 69,360

COMPANY NAME Picacho Peak Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 34,943	\$ 36,685
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 34,943	\$ 36,685
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	2,847	3,394
618	Chemicals		
620	Repairs and Maintenance	0	0
621	Office Supplies and Expense	15	15
630	Outside Services	17,262	17,244
635	Water Testing	1,461	510
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	1,1639	1,1697
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	63	75
403	Depreciation Expense	9,291	8,760
408	Taxes Other Than Income	17	64
408.11	Property Taxes	2,190 (Sales)	2,088 (Sales)
409	Income Tax	45	45
	TOTAL OPERATING EXPENSES	\$ 34,830	\$ 33,892
	OPERATING INCOME/(LOSS)	\$ 113	\$ 2,793
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	3,510	3,264
	TOTAL OTHER INCOME/(EXPENSE)	\$ 3,510	\$ 3,264
	NET INCOME/(LOSS)	\$ (3,397)	\$ (471)

COMPANY NAME

Picacho Peak Water Company

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	11-15-1979			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$200,000	\$	\$	\$
Amount Outstanding	\$ 59,804	\$	\$	\$
Date of Maturity	2020			
Interest Rate	5.0 %	%	%	%
Current Year Interest	\$ 3,264	\$	\$	\$
Current Year Principle	\$ 8,328	\$	\$	\$

Meter Deposit Balance at Test Year End

\$

Meter Deposits Refunded During the Test Year

\$

COMPANY NAME Picacho Peak Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
623405	10	64	12"			
623406	10	82	12"			

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	2		
10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1	5,000	2

COMPANY NAME Picacho Peak Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: Picacho Peak Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	14	338,010	338,010
FEBRUARY	14	415,895	415,895
MARCH	14	659,545	659,545
APRIL	14	641,980	641,980
MAY	14	557,860	557,860
JUNE	14	394,690	394,690
JULY	14	449,680	449,680
AUGUST	14	560,345	560,345
SEPTEMBER	14	521,875	521,875
OCTOBER	14	499,305	499,305
NOVEMBER	14	501,155	501,155
DECEMBER	14	478,535	478,535
TOTAL		6,018,875	6,018,875

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.022 mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Picacho Peak Water Company YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. Still in negotiation with Pinal
County over valuation

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

MAR 31 2006

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>Pinal</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Well Manager / Bookkeeper</u>
COMPANY NAME	<u>Picacho Peak Water Company</u>

Corporation Commission
Director of Utilities

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

William R. Beckamp
SIGNATURE OF OWNER OR OFFICIAL

(520) 398-6176
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

29th

DAY OF

COUNTY NAME	<u>Pima</u>
MONTH	<u>March</u>
	<u>2006</u>

My Comm. Expires December 15, 2006
Notary Public State of Arizona
Pima County
Carol A. Ryberg

Carol A. Ryberg
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Picacho Peak Water Company YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 45

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Dawn R Bechamp
SIGNATURE

3/29/06
DATE

Dawn Bechamp
PRINTED NAME

Well Manager / Bookkeeper
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAR 31 2006

**Z Corporation Commissic
Director of Utilities**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Pinal</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Well Manager / Bookkeeper</u>
COMPANY NAME <u>Picacho Peak Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 36.685

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2,060
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Lauren R Beckamp
SIGNATURE OF OWNER OR OFFICIAL
(520) 398-6176
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29th DAY OF

Notary Public State of Arizona



San Juan County
Carol A. Ryberg

Expires December 15, 2006

MY COMMISSION EXPIRES

COUNTY NAME <u>Pima</u>	
MONTH <u>March</u>	YEAR <u>2006</u>

Carol A. Ryberg
SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

MAR 31 2006

Z Corporation Commission
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Pinal</u>	
NAME (OWNER OR OFFICIAL) <u>Dawn Bechamp</u>	TITLE <u>Well Manager / Bookkeeper</u>
COMPANY NAME <u>Picacho Peak Water Company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH <u>12</u>	DAY <u>31</u>	YEAR <u>2005</u>
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES <u>\$ 5,041</u>
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(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 285
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

L. Dawn R. Bechamp
SIGNATURE OF OWNER OR OFFICIAL

(520) 398-6176
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

29th
Notary Public State of Arizona

DAY OF

(SEAL)

Pima County
Carol A. Ryberg
Expires December 15, 2006

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME <u>Carol A. Ryberg</u>	
COUNTY NAME <u>Pima</u>	
MONTH <u>March</u>	, <u>2006</u>

X *Carol A. Ryberg*
SIGNATURE OF NOTARY PUBLIC